

# Member NEWS<sup>Winter 2005</sup>

*Indiana Public Employees' Retirement Fund*

## FAREWELL MESSAGE

*from Craig E. Hartzer*

The Public Employees' Retirement Fund is one of the oldest and largest pension funds in the country. The Fund invests globally and pays benefits to nearly 60,000 members living within the United States and a few in other countries. Members and their families must have the same sense of trust and confidence in PERF as they have in their hometown bank and other financial institutions. Members and beneficiaries should never have to wonder whether their money is safe, their account is accurate, or their information is secure.

PERF has two primary functions: paying benefits and investing employers' and members' money. In the last two years, we have made great strides in accomplishing these critical functions while providing world-class customer service. As a PERF member, you should be confident that:

### Your identity is more secure.

- PERF now uses only the last four digits of Social Security numbers on checks, statements of account, electronic fund transfer notices, and general correspondence.
- We eliminated reliance on temporary workers and require extensive background screening for all current and prospective employees.
- Access to member information is appropriately limited, and internal auditing procedures have been expanded

### Your financial data is safer.

- Increased emphasis on direct deposits, newly-designed checks, and *Positive Pay* help deter fraud.
- Electronic reporting by employers significantly improves the accuracy and security of our information.
- Internal audits have been completed for death benefits, disability retirements, new member records, and tax reporting.



*Hartzer (left) presented Sagamore of the Wabash by Jon Laramore, Counsel to Governor Kernan*

### You will receive good customer service

- A simplified application process has cut the average retirement processing time in half.

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## NEW DIRECTOR TO BE NAMED

With appreciation for his leadership, vision, and dedication to the needs of members and employers, the PERF Board of Trustees accepted the resignation of Craig E. Hartzer as executive director, effective January 10, 2005. The Board will appoint a new director subject to approval by Governor Mitch Daniels. As this issue of the *Member News* goes to press, that appointment has not been made. In the meantime, an acting director has been named and the six retirement plans administered by PERF will continue to operate as required by law.

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# HELP PERF MAINTAIN YOUR RECORDS

**Accurate information is critical when it comes to receiving the benefits you earn.** We maintain a record as long as a member has an account with PERF, but important personal information can become outdated or may be incomplete, causing problems when it is time to pay benefits. You can help.

## **Beneficiaries:**

As part of your membership responsibility, you are required to make sure the information on file with PERF regarding your beneficiaries reflects your wishes. **Telling your employer is not enough.** Because of the requirement for a signed beneficiary form, you must contact the Fund directly.

## **Addresses:**

Be sure to tell us if you move. Although the postal system will forward mail for a period of time, services and any benefits you may be eligible for might not find you if you fail to inform us when you move.

## **Employment Records:**

Problems with service records can also significantly affect your PERF benefits. For example, if records of hire dates or leaves of absence are unavailable or unclear, your benefits may be delayed while PERF tries to resolve the problem with your employer(s). Employers are required to maintain these records because they

have an obligation to contribute funds to PERF for every employee it chooses to cover in the Fund. Over many decades or through numerous job changes, however, these records might get misplaced or find their way to the back corner of a dusty basement.

Be sure to keep your own records in order. Maintain start and end dates for jobs you have held and for leaves of absence for military service or other approved periods of leave. Review your benefit records with your employer periodically and check your quarterly PERF statement.

## **Changing your beneficiaries, name or address is simple:**

- Download the appropriate form at [www.perf.in.gov](http://www.perf.in.gov). Click on the Public Employees' Retirement Fund button on the home page, then on the next page, go to Member Forms.
- If you prefer, call 1-888-526-1687 to request the form you need.
- Fill out, SIGN and return the form to PERF.

## TWO NEW MEMBER PUBLICATIONS

**Understanding PERF benefits has become easier for members.** Two newly published documents explain the PERF plan in simple language, and both are now available in print and electronic formats.

In our previous issue, we announced the new member handbook has been published. It contains complete details on plan provisions in a user-friendly form. Members nearing their 10-year vesting milestone, nearing retirement, or simply wanting to consider their benefits in detail, should explore this version.

*PERF at a Glance* is a new, abbreviated publication designed to offer a thorough summary of the plan. This simple one-page document gives an overview of the benefit structure, eligibility requirements, and options members have when they either leave PERF-covered employment or retire. Newly hired employees and those who work

only a short time before leaving PERF will find this new publication particularly helpful.

Both *PERF at a Glance* and the Member Handbook are available at [www.perf.in.gov](http://www.perf.in.gov). Every public library now has Internet access available for members who do not have computer access. Members can either read both publications on-line or print them. Members who prefer can obtain printed copies from PERF by writing or calling the toll-free number. Copies may also be available through your employer.

# DIVORCES AND PERF

**By law, PERF benefits, refunds of contributions and money in the Fund are specifically excluded from any legal process other than the laws that govern the fund.** In simple terms, that means in a divorce case that PERF cannot be ordered as a result of a divorce decree to pay benefits to anyone other than a PERF member or designated beneficiary. For example, in cases where a divorce decree orders one spouse to pay part of a retirement benefit to the other, the Fund cannot split the benefit payment between the member and the ex-spouse.

The same requirement is true in cases where a divorce decree orders a fund member to designate his or her spouse or children as beneficiaries. If the member is still active, he or she may make a designation change in writing with PERF. If the member is retired, however, PERF laws do not allow a change in beneficiary except in very limited circumstances which are not applicable here. In both instances, PERF cannot monitor or change beneficiary payments to reflect a court order in a divorce case.

These types of court orders are often called Qualified Domestic Relations Orders (QDRO). The state law pertaining to PERF on the exclusions are found in *Ind. Code § 5-10.3-8-9*.

## MAKING DIRECT DEPOSIT CHANGES

**Direct deposit is the safest, most convenient way to receive your PERF benefits.** If you currently have your monthly benefits deposited directly by PERF and plan to change financial institutions or accounts, please do two things:

1. Provide a new direct deposit application, signed by you and your new bank, to PERF in order for your benefit payment to be deposited in your new account. The form is available on the website or by calling the toll-free number.
2. **WAIT** until the new account is established and the paperwork has cleared until you close the old account. This may involve at least one complete monthly check cycle.

If the old account is closed before we receive and execute your change request, your monthly payment will be returned to PERF, and must be re-processed; that means delays. If possible, simply wait until all your direct deposits have been made into your new account before closing current accounts. If you must close your account quickly because of a stolen or lost checkbook or some other emergency, please call the toll-free number of PERF.

All changes in direct deposit instructions must be made in writing and require your signature. Whenever you send in the instruction or a request for information, please include your current phone number so PERF can reach you in case of a problem.

## FIRST CONTRIBUTION WINDOW TO CLOSE

**The state of Indiana chose to allow the voluntary pre-tax contribution option in 2003.** As a service to active members who are still thinking about taking advantage this deduction for the Annuity Savings Account, we want to remind you that your window for electing this option may close on August 31, 2005.

**This option has very specific eligibility requirements, including:**

- Your employer must have agreed to allow this particular payroll deduction.
- You must have five years of creditable service (or be re-credited if you have changed jobs) with PERF as of June 30, 2003.

The window will close in August for those who meet these requirements and whose employer chose in 2003 to adopt a participation resolution allowing this deduction. If you are uncertain about whether you work for an employer that has approved this option, or about when they made this choice, check with your personnel department. Once you choose to make a pre-tax voluntary contribution, however, you cannot change it. As long as you work in a PERF-covered position for that employer, the deduction will be taken from your paycheck. If you leave and return to the same employer, even in a different position, if that position is covered under PERF, the pre-tax deduction will resume.

Complete details about this option and others are available on the PERF website at [www.perf.in.gov](http://www.perf.in.gov).

## MESSAGE, CONT. from pg. 1

- Personal retirement counseling services are available in a new customer service center in Indianapolis.
- Expansion of Outreach services provides information and counseling meetings throughout Indiana.
- A new Member Handbook, forms, and up-to-date investment information are available on PERF's re-designed website.

### **Your lifetime retirement benefit will be available when you become eligible.**

- PERF is fully funded.
- PERF's portfolio is balanced and managed in compliance with the Board of Trustees' investment policies and prudent investor practices.

As it has for nearly six decades, PERF will help provide a sound retirement for those who choose a career in public service in Indiana, and will offer a valuable benefit for employers to attract high quality employees. When you are ready to withdraw your money, whether in a refund of your Annuity Savings Account or at retirement as a lifetime benefit, PERF will help you through the process. It has been my goal as executive director to offer the services members should expect from an \$11 billion financial institution. I am confident PERF will continue expanding its services to members and employers. Those services would be directed at making more account information available via the Internet, two-way electronic information transmission capability for employers, more opportunity for members to actively manage their accounts, and continued security with competitive returns in the Guaranteed Fund.

As an active member of the Fund for 20 years and PERF's Executive Director for the past two years, it has been my privilege and honor to lead an incredible group of people in providing excellent services to Hoosiers wherever they live and work. I want to thank you for your trust and confidence and offer a special thanks to the Board of Trustees and former Governor Frank O'Bannon for giving me this extraordinary opportunity to serve.

## PERF'S OUTREACH

Information about PERF, including group retirement counseling sessions, will soon be coming to members and employers throughout Indiana. PERF has added two representatives to Outreach to provide new and more accessible services to members and employers. The first regional employer training and group retirement counseling sessions will begin later this month. Information about outreach activities will be made available in the near future through employers and on the PERF website. Look for more details in the next issue of the *Member News*.

## 40 YEARS WITH PERF

**Marty Montgomery, Retirement Benefits Supervisor**, received accolades from the PERF Board of Trustees at their November meeting for her 40 years of service with the Fund. She passed this incredible milestone on November 18, 2004. Starting out in the data entry department at the age of 19 as a graduate of the Porter Business College, she has since worked for 14 directors and nine governors, and moved into ten different offices. "Prayer, patience, and perseverance," are her keys to longevity, she says.

Tools used by PERF staff members have changed from rulers and punch cards to high speed internet connections and computerized accounting systems; however, some things remain constant. Please join all of us in thanking Marty for her dedication, willingness to learn all aspects of the Fund, and good humor.

## *Member* NEWS

A publication of the Indiana Public Employees' Retirement Fund, a system of six retirement plans designed in partnership with employers and elected officials to provide secure long-term retirement benefits for employees who choose careers in public service.

*All information in this publication applies solely to the Public Employees' Retirement Fund and not the other retirement plans administered by PERF.*

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